

STATEMENT OF PURPOSE

RS20717

This legislation relates to the process of foreclosure of a deed of trust securing a home loan. Its purpose is to clarify the foreclosure process for the homeowner whose loan is subject to foreclosure. The legislation requires that, along with a notice of default, the lender must provide: a notice of the potential ramifications of foreclosure; a statement that the borrower can contact the lender about potential loan modification programs; and a modification request form which the homeowner may use to request a loan modification. The lender must respond to a request for modification within 45 days and may not proceed to a foreclosure sale until it has responded to the modification request.

The legislation provides that when a foreclosure sale has been postponed a written notice of the rescheduled foreclosure sale must be mailed to the borrower at least fourteen (14) days before the rescheduled sale is conducted.

The legislation also prohibits the collection of loan modification fees unless the person charging the fee is licensed or exempted from licensing by Idaho law.

FISCAL NOTE

There will be no fiscal impact on state or local funds.

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